

# **भारत का राजपत्र** **The Gazette of India**

प्रसाधारण

EXTRAORDINARY

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PART I—Section 1

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF COMMERCE

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 5th October 1968

SUBJECT:—*Licensing Conditions under the French Credit 1967-68.*

No. 218-ITC(PN)/68.—The conditions governing the issuance of import licences under the French Credit 1967-68 as given in the Appendix to this Public Notice are notified for the information of the trade.

## APPENDIX

Applicable to non-project imports both in the private and public sectors and projects in the public sector only.

*Licensing Conditions under the French Credit 1967-68.*

1. Firm CIF or C&F orders must be placed on the suppliers in France, within three months from the date of issue of the licence. If orders are not placed within three months the licence should be submitted during the fourth month, for revalidation for a further period of three months, giving reasons for the delay in placing orders and indicating the period within which orders would be placed. Such requests for revalidation of the licence would be considered on merits by C.C.I.E., in consultation with the Ministry of Finance (Department of Economic Affairs), where necessary.

2. No remittance from India will be allowed to the importers under the licence(s) issued under the credit.

3. The terms and conditions set out below should be provided for in the contracts suitably to make them eligible for being financed under the French Credit :—

- (i) That the contract is subject to the approval of the Indian and French authorities concerned for financing under the French credit in terms of the India-France Financing Protocol, dated the 5th April, 1968, according to which the French credit would be a combination of a French Treasury loan and a Buyers' credit from both of which each contract would be financed equally.
- (ii) That the suppliers, or their banks, would upto the first 50 per cent of the value of the contract be paid from the French Treasury Loan and the remaining 50 per cent would be paid from the Buyers' credit.
- (iii) That the suppliers should present the payment documents prescribed in each contract, an illustrative list of which is furnished below, in quadruplicate (This may be increased if the importer needs more than one set) to the Banque Francaise du Commerce Exterieur 21, Boulevard Haussmann, Paris (9 e'me), who would arrange for the necessary payments being made through Banque Nationale De Paris or any other agency in France.

*Illustrative list of documents.*—Commercial invoice for the value of the equipment shipped or in respect of the advance payments as the case may be.

Complete set of clean on board ocean bills of lading, with packing lists where applicable. Certificates, if any, prescribed in the contract.

*Written attestation from the Supplier along with necessary customs documents* certifying that he has complied with the percentage of foreign expenses authorised by the French Administration.

Any other document(s)

- (iv) That the contracts financed under the French Credit would be subject to a guarantee by the Compagnie Francaise d' Assurance Pour le Commerce Exterieur (COFACE) in respect of the Buyers' credit granted by the banks in France and channelled through BFCE; the suppliers should, therefore, arrange for the drawing up of the insurance credit documents well in time.
- (v) That the contract value should be broken down into FOB cost, freight and insurance, separately.
- (vi) That the terms of payment, i.e., payment to be made upon the contract becoming effective, as and when shipments take place, or as and when services are completed, are set out in detail showing the schedule of deliveries and payments.

The importers may arrange for obtaining any customary guarantees that may be necessary for safe-guarding their interests.

4. The following important points should be kept in view while finalising contracts:—

- (a) *Value limits for orders.*—The value of each contract should not be less than French Francs 5 million (Rs. 75.95 lakhs) in respect of projects (unless otherwise specified in any particular case), French Francs 500,000 (Rs. 7.595 lakhs) in respect of Fertilisers and French Francs 100,000 (Rs. 1.519 lakhs) in respect of light equipment, semi-products, components, spare parts for assembly, replacement and tooling, chemical and pharmaceutical products, and other products.
- (b) *Down payments.*—Any payments to be made either on contracting or at any stage prior to delivery, can be for an amount as may be mutually agreed between the buyers and the sellers in accordance with the normal international commercial practice in regard to this matter for the particular type of goods concerned. Such down payments should, however, not exceed 5 per cent of the value of the contract. Where an amount higher than 5 per cent has to be paid, the prior approval of the Government of India should be obtained with full justification before any commitments are made. The down payment would be payable to the French suppliers or their bankers from the French Treasury Loan referred to in (3)(ii) above.

5. Within a fortnight of the placing of the order, the licensee should send ten certified copies of the contract along with a valid Bank guarantee *vide* para 6 below, to the Ministry of Finance, Department of Economic Affairs (AE-I Section), North Block, Central Secretariat, New Delhi, with the information indicated in Annexure I (in duplicate). If the

contract is eligible for financing under the French Credit and all the documents including the Bank Guarantee are in order, the Ministry of Finance (Department of Economic Affairs) may notify it to the Counsellor for Economic Affairs, Embassy of France, New Delhi and the contract will be deemed to have become effective 20 days after such notification, provided no objection is raised by the Embassy of France within that period.

6. Payments to the suppliers from the French Treasury Loan and the Buyers' credit will be made through Banque Nationale De Paris or any other agency in France on the basis of letters of authorisation issued by the Senior Accounts Officer, Department of Economic Affairs, Ministry of Finance. Such letters of authorisation will be issued only after a valid Bank guarantee (as in the form enclosed as Annexure II), from a Scheduled Bank, authorised to deal in foreign exchange is received covering the value of each contract. Importers in the Private Sector should, therefore, furnish such Bank guarantees to the Ministry of Finance, (Department of Economic Affairs), along with the letter in Annexure I.

NOTE.—No Bank guarantee would be required in the case of Public Sector importers. However, they should send a letter, as in Annexure I. Such a letter would also be necessary from Departments of the Central Government and State Governments (including State Electricity Boards) with suitable modifications as suggested in the specimen at Annexure I.

7. Immediately after payments have been effective as indicated in 3(iii) above the original set of documents (negotiable) will be sent by Banque Francaise du Commerce Extérieur to the importer's bank in India which has provided the Bank guarantee, as in 6 above in the case of importers in the private sector or to the nominated branch of the State Bank of India (in the case of Public sector undertaking), or to the importers direct (in the case of the Departments of Central and State Governments, including Electricity Boards, in accordance with the instructions incorporated in the letters of authorisation issued by Ministry of Finance.

Within a maximum period of ten days of the receipt of these documents, the Bank which has issued the Bank guarantee or the nominated branch of the State Bank of India shall arrange to deposit for credit to Government account the rupee equivalents of the payments made to the foreign suppliers, as indicated in the invoice. In addition, interest at 6 per cent per annum, for the actual period between the date of payment to the foreign suppliers and the date of deposit of rupee equivalent as also commission and incidental charges at 1 per cent, *ad valorem*, shall also be paid into the Government account. The rupee equivalents will be calculated at 1 New French Franc-Rs. 1.534. This rate is subject to revision if and when the IMF parity rate of exchange undergoes a change. It will be the responsibility of the Indian Bank to arrange for the deposit of these amounts before the original documents are handed over to the importer. In respect of imports made by the Departments of Central and State Governments (including State Electricity Boards) the documents will be sent direct to the importers who will ensure that their respective Accounts Officers promptly accept the debits as and when raised by A.G.C.R. on the basis of advices issued by the Ministry of Finance. The procedure of making cash deposits will not apply in their case.

Deposits may be made either at the Reserve Bank of India, New Delhi, or the State Bank of India, Delhi or remitted by means of a demand draft drawn on the State Bank of India, New Delhi in favour of the Accountant General Central Revenues, New Delhi. The Head of Account to be credited is "T Deposits and Advances Part II—Deposits not bearing interest—Deposit Accounts—Departmental and Judicial Deposits—Civil Deposits—Deposits for purchases abroad under Direct payment procedure as applicable to foreign credits—under the detailed head, "valued of goods under \$30 million French Credit 1967-68."

One copy of the challan from the Reserve Bank of India or the State Bank of India, or intimation regarding the furnishing of Demand Draft to A.G.C.R., should be sent by the Bank concerned to the Senior Accounts Officer, Ministry of Finance (Department of Economic Affairs) Jeevan Deep Building, Parliament Street, New Delhi.

## ANNEXURE I

To be sent within a fortnight of placing the order as required in para 5 of the licensing conditions

(To be sent in duplicate)

To

The Secretary,  
Ministry of Finance,  
Department of Economic Affairs.,  
A.E.-I Section,  
North Block, Central Secretariat,  
New Delhi-1.

Sir,

SUBJECT—*Import under the French Credit 1967-68.*

In connection with the import of \_\_\_\_\_ from \_\_\_\_\_  
(Short description of the goods or services)  
France under the above credit, we furnish the following particulars and ten certified copies of the contract to enable you to notify the contract to the French authorities:—

- (a) Name and address of the importer.
- (b) Number, date, value and last date of validity of the import licence, along with a photostat copy thereof.
- (c) Name and address of the French Supplier.
- (d) Value & date of the order (in French Francs).
- (e) Short description of the goods to be imported.
- (f) Terms of payment under the contract.
- (g) A schedule showing dates on which payments under the contract will fall due in respect of advance payments, and other payments. A schedule showing the dates on which the equipments will be shipped, or services performed, together with the value of each shipment, or service performed, based on the delivery schedules, or stipulations in the contract.

*\*Applicable only to importers in the Private Sector.*

*\*A bank guarantee established by \_\_\_\_\_.*

Name and address of the Indian Scheduled bank, authorised to deal in foreign exchange) \_\_\_\_\_ and which has been duly adjudicated by the Collector of Stamps, in accordance with Section 31 of the Stamp Act 1899, is attached.

*Applicable to the Public Sector Undertakings.*

*\*The import documents may be sent to the State Bank of India, \_\_\_\_\_ (complete postal address)*

who will release the documents to us only after making the deposit of rupee equivalents into Government account calculated at the rate of 1 FF—1.534 rupees together with interest at 6%, per annum, from the date of payment to the French suppliers to the date of deposit of rupee equivalent as also commission and incidental charges at 1 per cent *ad valorem*.

*Applicable to Departments of Central & State Governments (including State Electricity Boards).*

*\*Debits relating to the transaction are adjustable in the books of \_\_\_\_\_*

(Designation & Address of the Accounts Officer)

and we shall ensure that they are adjusted as soon as they are raised in terms of para 7 of the licensing conditions.

(\*) Delete whichever is not applicable.

- (3) You are requested to get the contract approved for financing under the French Credit 1967-68 and issue necessary authorisations to the French authorities to arrange for payments to the suppliers direct.

Yours faithfully  
Licensee.

## ANNEXURE II

## Guarantee Bond

To

The President of India,

In consideration of the President of India (hereinafter called the Government) having agreed to arrange for payment in FF for import of \_\_\_\_\_ by

(hereinafter called the importer)

under the terms and conditions of the French Credit for 1967-68 and in pursuance of Import Licence No. \_\_\_\_\_ issued on \_\_\_\_\_

in favour of the importer against the above mentioned credit, We \_\_\_\_\_

Bank Ltd., at the request of the importer hereby undertake to arrange to deposit Indian rupees equivalent to F.F. \_\_\_\_\_ alongwith commission and other charges

@ 1% *ad valorem* conversed at the rate of 1 FF-1.534 Rupees within ten days of the receipt of the advice of payment for credit to the Government account in the manner and against the appropriate Heads of account as indicated by Government of India under the said credit, together with interest thereon at the rate of 6% per annum, from the date of payment to the French supplier to the date of deposit of rupee equivalent for credit to the Government account. The negotiable set of import documents will be released to the importer only after the rupee deposits contemplated above have been made.

2. We the \_\_\_\_\_ Bank Ltd., also undertake to indemnify and keep indemnified the Government against any default in payment by the importer of any sum that may be due and payable by the importer to the Govt. at such place and in such manner as the Government may direct, such sums not exceeding Rs. \_\_\_\_\_ or any part thereof, for the time being due and payable by the importer together with interest thereon at the rate of six per cent, per annum, from the date of payment to the French supplier and commission and other charges @ 1% *ad valorem*. The decision of the Government as to any default in the said payment by the importer, or on his part and in regard to the amount payable to the Government by us \_\_\_\_\_ Bank Ltd., shall be final and binding on us \_\_\_\_\_ Bank Ltd.

3. We \_\_\_\_\_ Bank Ltd., further agree that in case of increase in the value of imports or increase in the value of unfulfilled deliveries under the contract as a result of change in the IMF parity rate of exchange, the amount of this guarantee bond will be adjusted as on the date when the change takes place, in proportion to this change.

4. We \_\_\_\_\_ Bank Ltd., further agree that the guarantee herein contained shall remain in full force, and effect during the period that would be taken for the performance of the said agreement/contract regarding delivery of the equipment and that it shall continue to be enforceable till all the dues to the Government under, by virtue of this guarantee have been fully paid and its claims satisfied or discharged.

5. The Guarantee herein contained shall not be affected by any change in the constitution of the importer or the \_\_\_\_\_ Bank Ltd., and the Government shall have the fullest liberty without affecting the guarantee to postpone for any time and from time to time any of the powers exercisable by it against the importer and either to enforce payment by the importer of any of the amount the payment whereof is intended to be hereby secured and the \_\_\_\_\_ Bank Ltd., shall not be released from its liability under this guarantee by any exercise of the Government of the liberty with reference to the matter aforesaid or by reason of time being given to the importer or any other forbearance, act or omission on the part of the Government or any indulgence by the Government to the importer or by any other matter or thing whatsoever which under the law relating to sureties shall, but for this provision, have the effect of so releasing the \_\_\_\_\_ Bank Ltd., from its such liability.

6. We \_\_\_\_\_ Bank Ltd., lastly undertake not to revoke this guarantee during its currency, except with previous consent of the Government, in writing.

7. Our liability under this guarantee is restricted to Rs. \_\_\_\_\_ @ (plus interest charges not expected to exceed one per cent of the guaranteed amount) and this guarantee shall remain in force till the \_\_\_\_\_ day\* of \_\_\_\_\_ 19..... Unless claims under this guarantee are made in writing within six

months of this date and unless a suit or action to enforce these claims is commenced within another six months thereafter i.e., upto \_\_\_\_\_, all Government's rights under this guarantee shall be forfeited and we shall be relieved and discharged from all liability thereunder.

Dated the \_\_\_\_\_ day of \_\_\_\_\_  
for \_\_\_\_\_ Bank Ltd.

Accepted for and on behalf of  
the President of India by

Shri \_\_\_\_\_

(Name & designation)

Signature.....

@This amount should be worked out by adding 1% to the value of the contract.

\*This date shall be arrived at by adding one month to the date by which all payments to the Suppliers are expected to be finalised.

NOTE.—The value of the stamped paper on which this guarantee is to be executed is to be adjudicated by the Collector of Stamps.

R. J. REBELLO,  
Chief Controller of Imports and Exports.